



# Iowa Department of Human Services

Kim Reynolds  
Governor

Adam Gregg  
Lt. Governor

Jerry R. Foxhoven  
Director

## INFORMATIONAL LETTER NO.1833-FFS

**DATE:** September 19, 2017

**TO:** Iowa Medicaid Hospice Providers

**APPLIES TO:** Fee-for-Service (FFS)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** Annual Hospice Rates

**EFFECTIVE:** October 1, 2016

Pursuant to 441 IAC 79.1(14), Medicaid hospice rates are based on the methodology used in setting Medicare rates for the categories of care provided with application of an appropriate area wage adjustment. The Centers for Medicare and Medicaid Services (CMS) publishes Medicaid hospice payment rate changes annually for the four levels of care; Routine Home Care, Continuous Home Care, Inpatient Respite Care and General Inpatient Care.

Hospice providers are required to comply with section 3004 of the Affordable Care Act (ACA) and the implementing regulation 78 FR 48234 (August 7, 2013). This section requires that hospice providers comply with the quality data submission requirements. CMS has published tables indicating payments at different levels for providers that have and have not complied with the quality data submission requirements. The State of Iowa will be using tables for providers who have submitted the required quality data.

Medicaid Hospice Rates				
Effective October 1, 2016 – September 30, 2017				
Revenue Code	Description	Daily Rate	Wage Component Subject to Index	Unweighted Amount
651	Routine Home Care (Days 1-60)	\$190.80	\$131.10	\$59.70
651	Routine Home Care (Days 61+)	\$150.01	\$103.07	\$46.94
652	Continuous Home Care	\$965.01 (full rate = 24 hours of care / \$40.21 hourly rate)	\$663.06	\$301.95
655	Inpatient Respite Care	\$179.97	\$97.42	\$82.55
656	General Inpatient Care	\$734.94	\$470.44	\$264.50
SIA	Service Intensity Add-on	\$40.21	\$27.63	\$12.58

The Medicaid hospice payment rates shown above are effective October 1, 2016, through September 30, 2017. These daily hospice rates are base rates. The wage component of the rate is adjusted by an appropriate wage index to reflect geographical differences in area wage levels. For providers who have not submitted the required quality data, the State of Iowa will be using the Iowa Hospice Wage Indexes and Rates fee schedule and Out-of-State hospice Wage Indexes and Rates fee schedule.

## **Routine Home Care (RHC) and New Service Intensity Add-on (SIA) Payment**

### **RHC**

The final Medicare hospice rule published on August 6, 2015, (CMS- 1629-F) changes the payment methodology for RHC. The rule changes the payment methodology for RHC to implement two rates that will result in a higher base payment for the first 60 days of hospice care and a reduced base payment rate for days thereafter.

### **SIA Payment**

Effective for hospice services with dates of service on and after January 1, 2016, a service intensity add-on payment will be made for a visit by a social worker or a registered nurse (RN), when provided during routine home care in the last seven days of life. The SIA payment is in addition to the RHC rate. The SIA payment will be equal to the Continuous Home Care, hourly rate multiplied by the hours of nursing or social work provided (up to four hours total) that occurred on the day of service. The SIA payment will also be adjusted by the appropriate wage index.

Please refer to Informational Letter [1766-MC-FFS](#)<sup>1</sup> issued on February 17, 2017, for more information on RHC and SIA.

### **Wage Indexes**

Annual updates to the hospice wage indices were published in the Federal Register (Volume 81, Number 151) on August 5, 2016. The published wage indices are based on the most current available wage data as well as changes implemented by the Office of Management & Budget (OMB) to the definitions of Metropolitan Statistical Areas (MSAs), which are superseded by Core Based Statistical Areas (CBSAs). For Federal Fiscal Year 2017, the full CBSA-based wage index values have been used.

### **Room & Board Payments**

The room and board payment for hospice residents residing in nursing facilities is ninety-five percent (95%) of the associated nursing facility's base rate.

### **Fee-for-Service Only**

This only applies to members with Iowa Medicaid Fee-for-Service (FFS) coverage. Providers serving members enrolled with an MCO will receive payment based on their negotiated rate.

### **Additional Information**

Questions relating to this Informational Letter may be directed to the IME Provider Services Unit at 1-800-338-7909 or by email at [imeproviderservices@dhs.state.ia.us](mailto:imeproviderservices@dhs.state.ia.us).

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<sup>1</sup> [https://dhs.iowa.gov/sites/default/files/1766-MC-FFS\\_Two-TieredHospicePayment\\_ServiceIntensityAdd-on%20.pdf](https://dhs.iowa.gov/sites/default/files/1766-MC-FFS_Two-TieredHospicePayment_ServiceIntensityAdd-on%20.pdf)